

# **STS Term Verification Checklist**

## **Quarzo S.r.l. - 2023-1**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

11 May 2023

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This is the STS Term Verification Checklist for STS Term Verifications.

This STS Term Verification Checklist must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the materials received by PCS as at the date of this document. Any references in this document are to the Prospectus unless otherwise stated.

PCS comments in this STS Term Verification Checklist are based on PCS' interpretation of the STS Regulation (the "Regulation") informed by (a) the text of the Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") and (c) any relevant national competent authorities' interpretation of the STS criteria to the extent known to PCS.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

**11 May 2023**

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## PRIME COLLATERALISED SECURITIES (PCS) – Provisional STS Verification

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	11 May 2023
<b>The transaction to be verified (the “Transaction”)</b>	<b>Quarzo S.r.l. – 2023-1</b>
Issuer	Quarzo S.r.l.
Originator	Compass Banca S.p.A.
Joint Lead Managers	Mediobanca, Intesa Sanpaolo, Société Générale, UniCredit Bank AG
Transaction Legal Counsel	Legance
Rating Agencies	DBRS and Moody’s
Stock Exchange	ExtraMOT PRO – Borsa Italiana
Closing Date	11 May 2023

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

Within the checklist, the relevant legislative text is set out in blue introductory boxes with specific criteria for our verification listed underneath.

Article	Summary of Article Contents	PCS Verified	
<b>Article 20 – Simplicity</b>			
20(1)	<a href="#">True sale</a>	1	✓
20(2-4)	<a href="#">Severe clawback</a>	2	✓
20(4)	<a href="#">True sale with intermediate steps</a>	3	✓
20(5)	<a href="#">Assignment perfection</a>	4	✓
20(6)	<a href="#">Encumbrances to enforceability of true sale</a>	5	✓
20(7)	<a href="#">Eligibility criteria, active portfolio management, and exposure transferred after closing</a>	6 - 8	✓
20(8)	<a href="#">Homogeneity, enforceability, full recourse, periodic payment streams, no transferable securities</a>	9 - 14	✓
20(9)	<a href="#">No securitisation positions</a>	15	✓
20(10)	<a href="#">Origination, underwriting standards, unverified residential loans, assessment of creditworthiness, originator expertise</a>	16 - 21	✓
20(11)	<a href="#">No undue delay after selection, no exposures in default or to credit-impaired or insolvent debtors/quarantors, portion of restructured debtors, adverse credit history, higher pool risk</a>	22 - 30	✓
20(12)	<a href="#">At least one payment made</a>	31	✓
20(13)	<a href="#">No predominant dependence on the sale of asset</a>	32	✓
<b>Article 21 – Standardisation</b>			
21(1)	<a href="#">Risk retention</a>	33	✓
21(2)	<a href="#">Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards</a>	34 - 39	✓
21(3)	<a href="#">Referenced interest payments</a>	40	✓
21(4)	<a href="#">Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation</a>	41 - 44	✓
21(5)	<a href="#">Non-sequential priority of payments</a>	45	✓
21(6)	<a href="#">Early amortisation provisions/triggers for termination of revolving period</a>	46 - 49	✓
21(7)	<a href="#">Duties, responsibilities, and replacement of transaction parties</a>	50 - 52	✓
21(8)	<a href="#">Expertise of the servicer</a>	53 - 54	✓
21(9)	<a href="#">Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report</a>	55 - 59	✓
21(10)	<a href="#">Resolution of investor conflicts and fiduciary party responsibilities and duties</a>	60 - 61	✓
<b>Articles 22 and 7 – Transparency</b>			
22(1)	<a href="#">Historical asset data</a>	62 - 64	✓
22(2)	<a href="#">AUP/asset verification</a>	65 - 66	✓
22(3)	<a href="#">Liability cashflow model</a>	67 - 68	✓
22(4)	<a href="#">Environmental performance of asset</a>	69	✓
22(5)	<a href="#">Responsibility for article 7, information disclosure before pricing and 15 days after closing</a>	70 - 73	✓
7(1)	<a href="#">Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, simultaneous, without delay</a>	74 - 83	✓
7(2)	<a href="#">Transparency requirements: securitisation repository, designation of responsible entity</a>	84 - 85	✓

**Article 20.1.** The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

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**STS Criteria**

1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.

**Verified?****YES****PCS Comments**

In this transaction, the rights, title and interests to the assets are assigned and transferred without recourse (pro soluto) by an Italian bank to an Italian SSPE.

See Section "COMPLIANCE WITH STS REQUIREMENTS" §(a)

*<<(a) for the purpose of compliance with article 20, paragraph 1, of the EU Securitisation Regulation, pursuant to the Master Receivables Purchase Agreement, the Originator (i) has assigned and transferred without recourse (pro soluto) to the Issuer, which has purchased (pro soluto) from the Originator, in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the provisions of Law 52 referred to therein, all of its right, title and interest in and to the Initial Portfolio and (ii) during the Revolving Period, may assign and transfer without recourse (pro soluto) to the Issuer, which shall purchase, in accordance with the combined provisions of article 1 and 4 of the Securitisation Law and the provisions of Law 52 referred to therein, all of its right, title and interest in and to each Subsequent Portfolio. (...)>>.*

PCS has been provided with and has reviewed the Italian law Legal Opinion provided by the transaction counsel. Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation and claw-back risks are made in the Legal Opinion.

At its origin, "true sale" was not a legal concept but it was a rating agency creation.

The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".

This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.

All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur.

The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences".

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis.

Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of “severe clawback”:

- Clawback requires an unfair preference “defrauding” creditors;
- Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.

Since “severe clawback” is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Originator’s jurisdiction for the purposes of insolvency law. This would be its centre of main interest (“**COMI**”) or its “**home member state**”.

The second step would be to determine whether the relevant COMI and/or “home member state” contains severe claw back provisions in its insolvency legislation.

Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident, as in this case:

- the Originator is incorporated in Italy and it is authorised as a bank to operate in Italy, as confirmed through a search with the Bank of Italy’s website that PCS has separately made;
- the Prospectus also confirms that <<*The Originator operates solely in Italy*>> (see “Geographic Concentration Risks”);
- in the Prospectus it is also stated that <<*Compass is a wholly-owned subsidiary of Mediobanca - Banca di Credito Finanziario S.p.A.*>>; and
- a specific representation on the Originator’s COMI is included in the Senior Notes Subscription Agreement (see clause 6.1(bb)).

Therefore, its COMI and its home member state are the Republic of Italy, which does not contemplate severe clawback provisions.

Italian insolvency law provides for clawback in relation to acts made in the suspect period, provided that also other circumstances occur, such as undue preference or transactions at an undervalue, and may require the insolvency officer to prove that case. Therefore, and as generally outlined in the Italian legal opinion and more specifically in the Prospectus, section “GENERAL RISK FACTORS” – “Claw-back of the Sale of the Receivables”, the transfer of the Receivables is not, in our view, subject to “severe clawback”.

**Article 20.1** (...) The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

**Article 20.2** For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions:

(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency;

(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.

**Article 20.3.** For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.

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**STS Criteria**

2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

**Verified?****YES****PCS Comments**

COMI and home member state of the Seller is Italy (see point 1 above).

Italy is not subject to severe claw-back. See statements in §(a) and (b) of section "COMPLIANCE WITH STS REQUIREMENTS".

See statements in §(a) and (b) of section "COMPLIANCE WITH STS REQUIREMENTS", in particular, that <<(b) for the purpose of compliance with articles 20, paragraph 2, and 20, paragraph 3, of the EU Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented that it is a joint stock company authorized to operate as a bank being enrolled in the register held by the Bank of Italy pursuant to article 13 of the Banking Act and its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) is located within the territory of the Republic of Italy; therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;>>.

Clawback of the sales of the Receivables does not constitute severe clawback risks because in all cases of claw back, in addition to the "suspect period", Italian law provides that other circumstances have to be met to allow claw back. These are, as the case may be, the purchase at undervalue and the awareness of the insolvency of the seller.

See also the RISK FACTORS section headed "Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met", where it is stated that

<<The Issuer is subject to the risk that the assignment of the Receivables made by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement may be clawed-back (revocato) in case of insolvency of the Originator.

Indeed, assignments of receivables made under the Securitisation Law are subject to claw-back (revocatoria fallimentare) (i) pursuant to article 166, paragraph 1, of the Italian Insolvency Code, if the petition for admission to judicial liquidation (liquidazione giudiziale) of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to article 166, paragraph 2, of the Italian Insolvency Code, if the petition for admission to judicial liquidation (liquidazione giudiziale) of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such originator is able to demonstrate that the issuer was aware of the insolvency of the originator.

In order to mitigate such risk, according to the Master Receivables Purchase Agreement and with respect of the assignment of the Initial Portfolio and each Subsequent Portfolio, the Originator has provided or will provide, as the case may be, the Issuer with (a) a certificate of the competent companies register, dated not prior to 5 (five) Business Day before the date of the Master Receivables Purchase Agreement or the relevant Transfer Proposal (as the case may be), stating that no insolvency proceeding is pending against the Originator and (b) a solvency certificate issued by a legal representative of the Originator confirming that the Originator is solvent at the date of the Master Receivables Purchase Agreement or the relevant Transfer Proposal (as the case may be). Furthermore, under the Master Receivables Purchase Agreement, the Originator has represented that it was solvent as at the execution date of



*the Master Receivables Purchase Agreement and such representation shall be deemed to be repeated, with reference to the Initial Portfolio, on the Issue Date and, with reference to each Subsequent Portfolio, on the date of the relevant Transfer Proposal and the relevant Legal Effective Date. (...)>>.*

**Article 20.4.** Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

<b>3</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.</p> <p><b>PCS Comments</b></p> <p>This requirement does not apply to this transaction since the Receivables have been exclusively originated by Compass as lender.</p> <p>See statement in "COMPLIANCE WITH STS REQUIREMENTS", §(i)(i), that &lt;&lt;the Receivables comprised in the Initial Portfolio derive, and the Receivables comprised in each Subsequent Portfolio will derive, from duly executed Consumer Loan Agreements which have been, or will be, granted by Compass in its ordinary course of business (...)&gt;&gt;.</p>	

**Article 20.5.** Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller's default.

<b>4</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> <li>(a) severe deterioration in the seller credit quality standing;</li> <li>(b) insolvency of the seller; and</li> <li>(c) unremedied breaches of contractual obligations by the seller, including the seller's default.</li> </ul> <p><b>PCS Comments</b></p> <p>Article 20.5 does not apply as the transfer is perfected.</p> <p>Criterion 4 requires two steps:</p> <ul style="list-style-type: none"> <li>- To determine whether the transfer of the assets is by means of an unperfected assignment; and</li> </ul>	

- If it is, whether the transaction contains the requisite triggers.

See the Prospectus Section headed “THE MASTER RECEIVABLES PURCHASE AGREEMENT – Perfection of the assignment”, in which it is stated that:

*<<The assignment of the Receivables comprised in the Initial Portfolio and each Subsequent Portfolio by Compass to the Issuer was (or will be) made in accordance with the Securitisation Law and the articles of Law 52 referred to therein. Accordingly, each such assignment was (or will be) perfected against any third party creditors (i) with reference to the Initial Portfolio, upon publication in the Official Gazette of a notice of such assignment indicating the assignor, the assignee and the transfer date and (ii) with reference to each Subsequent Portfolio, upon payment of the Purchase Price of the relevant Subsequent Portfolio and annotation of such payment on the Originator’s account, in order for the relevant payment to bear date certain at law (data certa) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Law 52 referred to therein.>>.*

Further, the Prospectus confirms that, before the Issue Date, both the publication of the Notice of assignment of the Initial Portfolio on the Italian Official Gazette and the filing of such assignment with the Companies’ Register of Milan have been made.

PCS has reached sufficient comfort that pursuant to Italian law, a direct individual notification to the obligors of the assignment of the Receivables to the Issuer is not necessary in order to perfect the transfer of the legal title to such Receivables from the Originator to the Issuer.

Although the transfer is not notified to the borrowers, the Italian legal opinion and Prospectus confirm that such notification is not required to fully perfect the transfer of ownership in the Receivables to the SSPE. In particular, although an individual notification to each Borrower is required to comply with Italian regulatory requirements and (where necessary) to obtain enforceability *vis-à-vis* each single Borrower, the failure to provide it would not affect the validity and effectiveness between the Originator and the Issuer of the transfers of any Receivable under the Master Receivables Purchase Agreement, nor their enforceability against any third party.

Accordingly, this transaction does not operate by way of an unperfected assignment and the issue of triggers does not arise.

**Article 20.6.** The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

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**STS Criteria**

5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

**Verified?  
YES**

**PCS Comments**

See §1.(m) in Section “Representations and warranties in relation to the Receivables”, where it is stated that:

*<<(m) Compass holds direct, sole and unencumbered legal title to each of the Consumer Loans and the Receivables and has not assigned (neither the ownership nor by way of security), participated, transferred or otherwise disposed of any of the Consumer Loans or the Receivables or otherwise created or allowed the creation or constitution of any lien or charge on the Consumer Loans or the Receivables in favour of any third party.>>.*

See also the R&W in Schedule 6, part. 1, §(l) of the Transfer Agreement, where it is also confirmed that the Receivables are freely transferable to the Issuer:

*<<(l) Ciascun Credito è integralmente e incondizionatamente nella titolarità e nella disponibilità di Compass e non è soggetto ad alcun vincolo di pignoramento, sequestro, né ad altri gravami a favore di terzi (inclusa qualunque società appartenente al gruppo di Compass) né si trova in altra situazione prevedibilmente in grado di compromettere l’opponibilità della*

cessione del relativo Credito anche ai sensi dell'articolo 20, paragrafo 6, del Regolamento UE sulle Cartolarizzazioni e degli Orientamenti EBA sui requisiti STS, ed è liberamente cedibile e trasferibile al Cessionario.>>.

**Article 20.7.** The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

<b>6</b>	<p><b>STS Criteria</b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p> <p><b>PCS Comments</b></p> <p>In the section "THE PORTFOLIO", it is stated:</p> <p>&lt;&lt;The Consumer Loans comprising the Initial Portfolio have been, and the Consumer Loans comprising each Subsequent Portfolio will be, selected on the basis of certain criteria, which are set out in the Master Receivables Purchase Agreement (see the section headed "The Master Receivables Purchase Agreement").&gt;&gt;</p> <p>Furthermore, pursuant to the Master Receivables Purchase Agreement, the Originator has warranted that the Initial Portfolio met, on the Initial Valuation Date, certain transferability conditions on an aggregate basis set out in the Master Receivables Purchase Agreement and has undertaken not to sell to the Issuer Subsequent Portfolios which do not, as at the relevant Valuation Date immediately preceding the relevant Acceptance Date, meet such transferability conditions on an aggregate basis (see the section headed "The Master Receivables Purchase Agreement").&gt;&gt;</p> <p>The list of Eligibility Criteria is set out in "THE PORTFOLIO".</p> <p>The EBA Guidelines clarify that "clear" does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is "clear" when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, "clear" is about certainty of determination.</p> <p>PCS has read the Eligibility Criteria in the Prospectus.</p> <p>As they are mandatory, they meet the "predetermined" requirement.</p> <p>As they are in the Prospectus and in the Master Receivables Purchase Agreement, they meet the "documented" requirement.</p> <p>PCS has also concluded that they allow determination in each case, and so meet the "clear" requirement.</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
<b>7</b>	<p><b>STS Criteria</b></p> <p>7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>

**PCS Comments**

See paragraph (f) of Section “COMPLIANCE WITH STS REQUIREMENTS”, where it is stated that:

*<<(f) for the purpose of compliance with article 20, paragraph 7, of the EU Securitisation Regulation, the disposal of Receivables is permitted only in the following circumstances: (A) from the Originator to the Issuer, in the context of the transfer of Subsequent Portfolios during the Revolving Period, (B) from the Issuer to the Originator, in case of any misrepresentation of the Originator pursuant to the terms and conditions of the Master Receivables Purchase Agreement, (C) from the Issuer to Compass, in the context of the repurchase of the Portfolio in case of exercise of the Clean-up Option or in the context of the repurchase of individual Receivables pursuant to the terms and conditions specified in the Servicing Agreement (provided that (i) the repurchase option on the individual Receivables shall not be exercised by Compass for speculative purposes aimed at achieving a better performance for the Securitisation; (ii) in case of the Defaulted Receivables, such option may be exercised by Compass only to the extent that the repurchase is aimed at facilitating the recovery and liquidation process with respect to those Defaulted Receivables, (iii) in case of individual Receivables other than the Defaulted Receivables, such option may be exercised by Compass in extraordinary circumstances only and in any case without prejudice to the interests of the Noteholders, and (iv) in any event the aggregate Outstanding Principal, as at the relevant date of exercise of the repurchase option, of the Receivables subject to repurchase shall not exceed 5% of the aggregate Outstanding Principal, as the relevant Valuation Date, of the Receivables comprised in the Portfolio, (D) from the Issuer (or the Representative of the Noteholders on its behalf) to third parties in the context of the disposal of the Portfolio following the delivery of a Trigger Notice or a Tax Redemption Notice (provided that in each case the Originator shall have a pre-emption right in accordance with the provisions of the Intercreditor Agreement), and (E) from the Issuer (or the Servicer on its behalf) to third parties in the context of the sale of individual Defaulted Receivables pursuant to the terms of the Servicing Agreement. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, the exposures that may be transferred to the Issuer after the Issue Date shall meet the Eligibility Criteria applied to the initial underlying exposures included in the Initial Portfolio (...)>>.*

Indeed, the EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of “active portfolio management”. To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion is deemed met.

If a transaction should contain a repurchase device that is not included in the EBA’s list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining “active portfolio management”.

PCS has reviewed all the repurchase devices set out in the Prospectus and the Transaction Documents and these are acceptable within the context of the EBA final guidelines and its principles.

8

**STS Criteria**

8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

**Verified?****YES****PCS Comments**

The transaction is revolving and the Eligibility Criteria, as set out in “THE PORTFOLIO”, shall apply to the Initial Portfolio and to each Subsequent Portfolio, at the relevant Valuation Date. See also the statement in “THE PORTFOLIO”, that:

*<<The Consumer Loans comprising the Initial Portfolio have been, and the Consumer Loans comprising each Subsequent Portfolio will be, selected on the basis of certain criteria, which are set out in the Master Receivables Purchase Agreement (...)>>.*

See Section “The Master Receivables Purchase Agreement - Further provisions – repurchase of Receivables which are not compliant with the Eligibility Criteria”:

<<The Master Receivables Purchase Agreement provides that if, after the relevant Legal Effective Date, it transpires that any of the Receivables transferred under the Master Receivables Purchase Agreement or any Transfer Agreement does not meet, as of the relevant Valuation Date, the Eligibility Criteria, then Compass shall repurchase such Receivables.>>.

**Article 20.8.** The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.

9

**STS Criteria**

9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.

**Verified?**  
**YES**

**PCS Comments**

See section headed "THE PORTFOLIO" –where it is represented that

<<9. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Receivables included in the Initial Portfolio are, and the Receivables included in each Subsequent Portfolio will be, homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20, paragraph 8, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, given that:

- (i) all Receivables have been or will be, as the case may be, originated by Compass based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures;
- (ii) all Receivables have been or will be, as the case may be, serviced by Compass according to similar servicing procedures;
- (iii) all Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities to individuals for personal, family or household consumption purposes" and
- (iv) although no specific homogeneity factor is required to be met, as at the relevant Valuation Date all Debtors are (or will be, as the case may be) resident in the Republic of Italy.>>.

The definition of "homogeneity" in the Regulation is the subject of a Regulatory Technical Standard ("RTS"). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of "homogeneity" is legally binding on all regulatory authorities.

PCS notes that the RTS currently in force is being amended, in accordance with a final draft RTS which has been published in February 2023, but that has not yet come into force as at today's date. However, the changes contained in such final draft RTS are not expected to significantly affect the asset class in question.

In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators' belief that the STS Regulation was justified by the excellent performance of most "plain vanilla" European securitisations and the RTS adopted by the European Commission as well as in the final draft RTS mentioned above.

Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered "homogenous" by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for

	<p>such analysis. Turning, for guidance, to the RTS adopted by the European Commission and to the final draft RTS, four elements require examination: (a) "similar underwriting standards", (b) "similar servicing standards", (c) same asset class and (d) relevant risk factors.</p> <p>In the Transaction, the loans were underwritten on a similar basis, they are being serviced by Compass according to similar servicing procedures, they are a single asset class – credit facilities provided to individuals for personal, family or household consumption purposes – and, based on the EBA's suggested approach, the loans are all complying with the homogeneity factor of being originated in the same jurisdiction (although for consumer loans this is not a specific requirement). Further all borrowers are individual persons (see §(i) of Eligibility Criteria in "THE PORTFOLIO – Eligibility Criteria").</p> <p>PCS also takes great comfort from the fact that transactions containing pools with similar characteristics have always been considered to be "homogenous" by a wide consensus of market participants.</p>	
10	<p><b>STS Criteria</b></p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See §(g)(iv)(ii) in the section headed "COMPLIANCE WITH STS REQUIREMENTS":</p> <p>&lt;&lt;(…) (ii) each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and constitutes binding and enforceable obligations, with full recourse to the Debtors;&gt;&gt;.</p> <p>See also §1.(c) in the section headed "THE MASTER RECEIVABLES PURCHASE AGREEMENT – Representations and warranties in relation to the Receivables":</p> <p>&lt;&lt;(c) Each of the Receivables derives from duly executed Consumer Loan Agreements. Each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and enforceable and constitutes valid and legal obligations, binding on each party thereto, with full recourse to the Debtors.&gt;&gt;.</p>	
11	<p><b>STS Criteria</b></p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W quoted in comments to point 10 above, and particularly the specification &lt;&lt;... with full recourse to the Debtors&gt;&gt;.</p> <p>See also the definition of "Debtor" being &lt;&lt;any individual or entity, public or private, or any other obligor or co-obligor which is liable for payment in respect of a Receivables comprised in the Portfolio (including, without limitation, any Guarantor).&gt;&gt;.</p>	
<p><b>Article 20.8.</b> The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>		
12	<p><b>STS Criteria</b></p> <p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>	<p><b>Verified?</b> YES</p>

	<p><b>PCS Comments</b></p> <p>See section headed “THE PORTFOLIO” sub §(10):</p> <p><i>&lt;&lt;Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that: (...) 10. Each Receivable derives from a Consumer Loan Agreement whose amortisation plan (i) provides for monthly payments; (ii) does not envisage more than 120 instalments; and (iii) includes, for each instalment, the payment of both interest (in case the relevant annual nominal interest rate (Tasso Nominale Annuo – T.A.N.) is higher than zero) and principal. No amortisation plan relating to the Receivables provides for a final balloon instalment higher than the other instalments of the relevant amortisation plan and the requirements set out in article 20, paragraph 13, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria are satisfied in order for the repayment of the Notes not to be structured to depend predominantly on the sale of the assets.&gt;&gt;.</i></p> <p>See also the definition of Instalment, as set out below:</p> <p><i>&lt;&lt;Instalment (Rata) means each instalment due pursuant to the relevant Consumer Loan Agreement and in accordance with the relevant Amortisation Plan, including the Instalment Principal Component, the Instalment Interest Component and the Instalment Expenses Component.&gt;&gt;.</i></p>	
13	<p><b>STS Criteria</b></p> <p>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See section headed “COMPLIANCE WITH STS REQUIREMENTS” sub §(l), where it is stated that:</p> <p><i>&lt;&lt;(l) for the purpose of compliance with article 20, paragraph 13, of the EU Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that: (a) each Receivable derives from a Consumer Loan Agreement whose amortisation plan (i) provides for monthly payments; (ii) does not envisage more than 120 instalments and (iii) includes, for each instalment, the payment of both interest (in case the relevant annual nominal interest rate (Tasso Nominale Annuo – T.A.N.) is higher than zero) and principal; (b) no amortisation plan relating to the Receivables provides for a final balloon instalment higher than the other instalments of the relevant amortisation plan; and (c) the requirements set out in article 20, paragraph 13, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria are satisfied in order for the repayment of the Notes not to be structured to depend predominantly on the sale of the assets (...)&gt;&gt;.</i></p> <p>It is also noted that, generally, the Receivables are unsecured, so no collections are expected to arise from financed assets or their enforcement.</p> <p>See also the statements mentioned in comments to point 12 above.</p>	
<p><b>Article 20.8.</b> The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.</p>		
14	<p><b>STS Criteria</b></p> <p>14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p>	



See section headed "THE PORTFOLIO" sub §(7):

<<Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that: (...) 7. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Receivables included in the Initial Portfolio do not, and the Receivables included in each Subsequent Portfolio will not, comprise (i) any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20, paragraph 8, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, (ii) any securitisation positions, pursuant to article 20, paragraph 9, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, nor (iii) any derivatives, pursuant to article 21, paragraph 2, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.

**Article 20.9.** The underlying exposures shall not include any securitisation position.

15

**STS Criteria**

15. The underlying exposures shall not include any securitisation position.

**Verified?****YES****PCS Comments**

See section headed "THE PORTFOLIO" sub §(7):

<<Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that: (...) 7. As at the relevant Valuation Date and as at the relevant Legal Effective Date, the Receivables included in the Initial Portfolio do not, and the Receivables included in each Subsequent Portfolio will not, comprise (i) any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20, paragraph 8, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, (ii) any securitisation positions, pursuant to article 20, paragraph 9, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, nor (iii) any derivatives, pursuant to article 21, paragraph 2, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.

**Article 20.10.** The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.

16

**STS Criteria**

16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.

**Verified?****YES****PCS Comments**

See section headed "THE PORTFOLIO" sub (3):

<<Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that: (...)

3. *The Consumer Loans from which the Receivables comprised in the Initial Portfolio or in each Subsequent Portfolio arise (or will arise, as the case may be) have been (or will be, as the case may be) granted in Compass' ordinary course of business, in accordance with the Loan Disbursement Policies. The Loan Disbursement Policies are no less stringent than those that Compass applied at the time of origination to similar consumer loan exposures that have not been (or will not be) assigned in the context of the Securitisation, pursuant to article 20, paragraph 10, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.*>>.



17	<p><b>STS Criteria</b></p> <p>17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See section headed "THE PORTFOLIO" sub (3):</p> <p>&lt;&lt;Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that: (...)</p> <p>3. The Consumer Loans from which the Receivables comprised in the Initial Portfolio or in each Subsequent Portfolio arise (or will arise, as the case may be) have been (or will be, as the case may be) granted in Compass' ordinary course of business, in accordance with the Loan Disbursement Policies. <u>The Loan Disbursement Policies are no less stringent than those that Compass applied at the time of origination to similar consumer loan exposures that have not been (or will not be) assigned in the context of the Securitisation, pursuant to article 20, paragraph 10, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.</u>&gt;&gt;.</p>	

**Article 20.10.** The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.

18	<p><b>STS Criteria</b></p> <p>18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See the definition of</p> <p>&lt;&lt;<b>Loan Disbursement Policies</b> (Procedura di Istruttoria) means the loan disbursement policies adopted by Compass for the disbursement of the Consumer Loans, as set out in the Italian language under schedule 5 of the Master Receivables Purchase Agreement.&gt;&gt;. The Master Receivables Purchase Agreement is disclosed to investors. See point 75 below.</p> <p>See also the section headed "COMPLIANCE WITH STS REQUIREMENTS", sub §(i) which include the following statement: &lt;&lt;(…) In addition, under the Master Receivables Purchase Agreement Compass has undertaken to fully disclose to potential investors in the Notes, without undue delay, any material changes occurred after the Issue Date in the loan disbursement policies from time to time applicable in respect of the Receivables, pursuant to article 20, paragraph 10, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria (...)&gt;&gt;.</p> <p>See also the definition of "Inside Information and Significant Event Report":</p> <p>&lt;&lt;<b>Inside Information and Significant Event Report</b> means the report setting out the information under letter f) and letter g) of article 7, paragraph 1, of the EU Securitisation Regulation (including, inter alia, any change of the Priority of Payments and any material change occurred after the Issue Date in the Loan Disbursement Policies), to be prepared by the SR ESMA Reports Entity in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.&gt;&gt;.</p>	

**Article 20.10.** In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.

19	<b>STS Criteria</b>	Verified? YES
	<p>19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.</p> <p><b>PCS Comments</b></p> <p>This requirement does not apply to consumer loans.</p> <p>See in this respect the representation on homogeneity contained in the section headed "THE PORTFOLIO", §(9)(iii) that:</p> <p>&lt;&lt;(iii) all Receivables fall or will fall, as the case may be, within the same asset category of the relevant Regulatory Technical Standards named "credit facilities to individuals for personal, family or household consumption purposes" (...)&gt;&gt;.</p>	

**Article 20.10.** The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.

20	<b>STS Criteria</b>	Verified? YES
	<p>20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.</p> <p><b>PCS Comments</b></p> <p>See in this respect the representation on borrower's creditworthiness contained in the section headed "THE MASTER RECEIVABLES PURCHASE AGREEMENT – Representations and warranties in relation to the Receivables – (4) Other representations and warranties", §(b) that</p> <p>&lt;&lt;(b) Compass has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC (article 20, paragraph 10, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria).&gt;&gt;.</p>	

**Article 20.10.** The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.

21	<b>STS Criteria</b>	Verified? YES
	<p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p> <p><b>PCS Comments</b></p>	

See the statement in the section “THE PORTFOLIO” that <<4. *Compass has expertise in originating exposures of a similar nature to those assigned under the Securitisation, pursuant to article 20, paragraph 10, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.*>>.

See also the information on the experience of Compass contained in “THE ORIGINATOR AND THE SERVICER” and in particular in the sub-section “Historical Background”, confirming its long lasting experience in consumer lending and its authorisation as a bank starting from October 2015.

**Article 20.11.** The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...

<b>22</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	
<b>PCS Comments</b>		
The Initial Valuation Date (being the cut-off date of the Initial Portfolio) is 27 March 2023 (see definition of “ <b>Initial Valuation Date</b> ”). PCS’ view is that any period of up to three and a half months or less between pool cut date and closing will meet the requirements of the criterion. This is in line with market standards. The Prospectus sets out the relevant dates of (i) the initial pool cut (see definition of Initial Valuation Date, being 27 March 2023); and (ii) the relevant transfer (see Initial Portfolio Legal Effective Date, being 31 March 2023) and these are only few days apart. This clearly meets the requirement. In respect of Subsequent Portfolios, the Valuation Dates are scheduled on a monthly basis, after each Calculation Date. See the definition of Valuation Date.		
<b>23</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...	
<b>PCS Comments</b>		
See the section headed “COMPLIANCE WITH STS REQUIREMENTS”, sub §(j) in which it is stated: <<(j) <i>for the purpose of compliance with article 20, paragraph 11, of the EU Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and each Subsequent Portfolio will not, include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Compass’ knowledge: (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to relevant Legal Effective Date; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Compass which have not been assigned under the Securitisation (for further details, see the sections headed “The Portfolio” and “The Master Receivables Purchase Agreement”);&gt;&gt;.             </i>		
See also the R&W under §(kk), as set out in section “THE MASTER RECEIVABLES PURCHASE AGREEMENT - Representations and warranties in relation to the Receivables”:		

<<(kk) The Receivables, at the time of the relevant transfer under the Master Receivables Purchase Agreement, are not qualified as exposures in default within the meaning of Article 178, paragraph 1, of Regulation (EU) No 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Compass' knowledge:

(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Issuer;

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Compass which have not been assigned to the Issuer under the Securitisation,

in each case for the purposes and to the effects of article 20, paragraph 11, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.

**Article 20.11.** The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:

(i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and

(ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or

(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.

**24 STS Criteria**

24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

**Verified?**

**YES**

**PCS Comments**

See the statements and the R&W quoted in comments to point 23 above.

The note below applies to points from 24 to 30.

Although the text of the STS Regulation is quite vague, the EBA guidelines on defining "credit impaired" debtors are very helpful.

For PCS, the key points of the EBA guidelines on this issue are:

	<p>a. <i>Firstly</i>, that the three listed conditions of credit impaired status (set out in article 20.11 (a) to (c) of the Regulation) amount to a full definition of what it means to be “credit impaired”. So that it is not necessary to reflect at what the term “credit impaired” could mean above and beyond those three items.</p> <p>b. <i>Secondly</i>, in relation to entries in a credit registry, the EBA is very clear that the criterion should not be interpreted as excluding debtors with any entry on a credit registry. Providing further guidance, the example given in the EBA Guidelines of a credit registry entry that would not be indicative of a “credit impaired” debtor is the example of a failure to pay that can “reasonably be ignored” for the purposes of credit assessment.</p> <p>Therefore, the criterion, to be met, does not require the elimination from the pool of all debtors with any negative entry in a credit registry but only those whose entries it would not be reasonable to ignore for the purposes of credit assessments.</p> <p>Absent any further clarification from the EBA or a national competent authority regarding what it is reasonable to ignore, a judgement would still be necessary in cases where the originator does include in the pool some debtors with some negative entries in a credit registry.</p> <p>In making this judgement, PCS takes comfort from the intent of the legislators – including, crucially, the legislators’ belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisation. It is clear to PCS that the “credit impaired” prohibition is driven by the desire of legislators to exclude from the STS category deals generally coming under the definition of “sub-prime”. Therefore, it is unreasonable to refuse STS status to a transaction considered by universal consensus to be a “prime/plain vanilla” transaction with no “sub-prime” aspects. Indeed, this approach seems to be the rationale behind the EBA Guidelines on this matter.</p> <p>c. <i>Thirdly</i>, the EBA Guidelines on guaranteed obligations make it clear that the criterion is met so long as either the debtor or the guarantor are not “credit impaired”.</p> <p><b>Based on the statements and the R&amp;W quoted in point 23 above, PCS reached sufficient evidence that this requirement is satisfied.</b></p>	
25	<p><b>STS Criteria</b></p> <p>25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the statements and the R&amp;W quoted in comments to point 23 above.</p>	
26	<p><b>STS Criteria</b></p> <p>26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W mentioned in comments to point 23 above: no restructured debtors are meant to be included in the Portfolio.</p>	
27	<p><b>STS Criteria</b></p> <p>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W mentioned in comments to point 23 above: no restructured debtors are meant to be included in the Portfolio.</p>	

	<p>PCS notes that the statement of absence of exposures to a credit-impaired debtor or guarantor, that have undergone a debt-restructuring process in the latest three years prior to the assignment to the SPV is not qualified by any exception.</p> <p>This requirement is, therefore, satisfied.</p>	
28	<p><b>STS Criteria</b></p> <p>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See point 27 above.</p>	
29	<p><b>STS Criteria</b></p> <p>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W mentioned in comments to point 23 above.</p>	
30	<p><b>STS Criteria</b></p> <p>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W mentioned in comments to point 23 above.</p>	

**Article 20.12.** The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.

31	<p><b>STS Criteria</b></p> <p>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>See §(iv) of Eligibility Criteria in the Section "THE PORTFOLIO":</p> <p>&lt;&lt;(iv) consumer loan agreements with at least one paid instalment;&gt;&gt;.</p>	

**Article 20.13.** The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.

The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.

32

**STS Criteria**

32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.

**Verified?**  
**YES**

**PCS Comments**

PCS notices that the underlying exposures are amortising loans.

See in this respect the following representation given by the Originator in the Master Receivables Purchase Agreement:

<<10. Each Receivable derives from a Consumer Loan Agreement whose amortisation plan (i) provides for monthly payments; (ii) does not envisage more than 120 instalments; and (iii) includes, for each instalment, the payment of both interest (in case the relevant annual nominal interest rate (Tasso Nominale Annuo – T.A.N.) is higher than zero) and principal. No amortisation plan relating to the Receivables provides for a final balloon instalment higher than the other instalments of the relevant amortisation plan and the requirements set out in article 20, paragraph 13, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria are satisfied in order for the repayment of the Notes not to be structured to depend predominantly on the sale of the assets.>>.

See also the confirmation in this respect given in the section headed “COMPLIANCE WITH STS REQUIREMENTS”, sub §(l), in which it is stated that:

<<(l) for the purpose of compliance with article 20, paragraph 13, of the EU Securitisation Regulation, under the Master Receivables Purchase Agreement the Originator has represented and warranted that: (a) each Receivable derives from a Consumer Loan Agreement whose amortisation plan (i) provides for monthly payments; (ii) does not envisage more than 120 instalments and (iii) includes, for each instalment, the payment of both interest (in case the relevant annual nominal interest rate (Tasso Nominale Annuo – T.A.N.) is higher than zero) and principal; (b) no amortisation plan relating to the Receivables provides for a final balloon instalment higher than the other instalments of the relevant amortisation plan; and (c) the requirements set out in article 20, paragraph 13, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria are satisfied in order for the repayment of the Notes not to be structured to depend predominantly on the sale of the assets (for further details, see the sections headed “The Portfolio” and “The Master Receivables Purchase Agreement”);>>.

**Article 21.1.** The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.

<b>33</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p><b>PCS Comments</b></p> <p>See “REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Retention statement”:</p> <p><i>&lt;&lt;The Originator will retain a material net economic interest of at least 5 (five) per cent. in the Securitisation for the purpose of article 6 of the EU Securitisation Regulation (and the applicable Regulatory Technical Standards) and article 6 of the UK Securitisation Regulation (as in effect as at the Issue Date). For such purposes, under the Senior Notes Subscription Agreement the Originator has undertaken to the Issuer, the Arranger and the Joint Lead Managers that it will retain at the Issue Date and maintain (on an on-going basis) a material net economic interest of not less than 5 (five) per cent. in the Securitisation through the holding of the Junior Notes in accordance with option (d) of article 6, paragraph 3, of the EU Securitisation Regulation (and the applicable Regulatory Technical Standards) and article 6, paragraph 3, of the UK Securitisation Regulation (as in effect as at the Issue Date). (...)&gt;&gt;.</i></p>		

**Article 21.2.** The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.

<b>34</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p><b>PCS Comments</b></p> <p>See the section headed “COMPLIANCE WITH EU STS REQUIREMENTS”, sub §(n) in which it is stated that:</p> <p><i>&lt;&lt;(n) for the purpose of compliance with article 21, paragraph 2, of the EU Securitisation Regulation in order to mitigate any interest rate risk connected with the Senior Notes, the Issuer has entered into on or about the Issue Date a 1992 ISDA Master Agreement on or about the Issue Date with the Hedging Counterparty, together with the Schedule and the Credit Support Annex thereto and the confirmation documenting the interest rate swap transaction supplemental thereto, under which, subject to the conditions set out thereunder, the Issuer will pay to the Hedging Counterparty a fixed amount, and the Hedging Counterparty will pay to the Issuer a floating amount (for further details, see Condition 5.2. (Rate of Interest of the Notes) and the section headed “The Other Transaction Documents – the Hedging Agreement”). The execution of the Hedging Agreement by the Issuer constitutes an appropriate mitigation of the interest rate risk connected with the Senior Notes for the purpose of compliance with article 21, paragraph 2, of the EU Securitisation Regulation. (...)&gt;&gt;.</i></p> <p>See also “The Other Transaction Documents – the Hedging Agreement” and the risk factor headed “Interest rate risk arising from the mismatch between the interest rate applicable on the Loans and the Notes may affect the ability of the Issuer to meet its payment obligations under the Notes in case of termination of the Hedging Agreement”.</p> <p>The Hedging Agreement constitutes valid, legally binding and enforceable obligations of the parties thereto under English law, as confirmed by a specific legal opinion.</p>		
<b>35</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>35. Currency risks arising from the securitisation shall be appropriately mitigated.</p>		



	<p><b>PCS Comments</b></p> <p>See the section headed "COMPLIANCE WITH STS REQUIREMENTS", sub §(n) in which it is stated that:</p> <p>&lt;&lt;(n) (...) Finally, there is no currency risk since (i) under the Master Receivables Purchase Agreement, the Originator has represented and warranted that the Receivables arise from Consumer Loan Agreements which are denominated in Euro, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (...)&gt;&gt;.</p> <p>See also the definition of "Basic Terms Modification", as set out in the "Rules of the Organisation of the Noteholders", which includes &lt;&lt;(e) a modification which would have the effect of altering the currency of payment of the relevant Series of Notes or any alteration of the date of redemption or priority or payment of interest or principal on the relevant Series of Notes;&gt;&gt;.</p>	
36	<p><b>STS Criteria</b></p> <p>36. Any measures taken to that effect shall be disclosed.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See points 34 and 35 above and the statement in "GENERAL INFORMATION - Documents" confirming disclosure of the Hedging Agreement through the Securitisation Repository.</p>	
<p><b>Article 21.2.</b> Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.</p> <p>Those derivatives shall be underwritten and documented according to common standards in international finance.</p>		
37	<p><b>STS Criteria</b></p> <p>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the section headed "COMPLIANCE WITH STS REQUIREMENTS", sub § (n) where it is stated that &lt;&lt; (...) (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes, it shall not enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the Securitisation Regulation&gt;&gt;.</p> <p>See also the Terms and Conditions of the Notes, sub Condition 3.1.16, which prevents the Issuer from: &lt;&lt;Derivatives - enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the EU Securitisation Regulation (as the Hedging Agreement).&gt;&gt;.</p>	
38	<p><b>STS Criteria</b></p> <p>38. ...Shall ensure that the pool of underlying exposures does not include derivatives.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p>	

See the section headed "COMPLIANCE WITH STS REQUIREMENTS", sub § (n) where it is stated that <<(...) In addition, (i) under the Master Receivables Purchase Agreement, the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Legal Effective Date, the Initial Portfolio does not, and the Subsequent Portfolio will not, comprise any derivatives, and (...)>>.

See also the "Eligibility Criteria" set out in the section "THE PORTFOLIO".

39	<b>STS Criteria</b>	Verified? YES
	39. Those derivatives shall be underwritten and documented according to common standards in international finance.	
	<b>PCS Comments</b>	
	See the section headed "COMPLIANCE WITH EU STS REQUIREMENTS", sub §(n) and point 34 above. ISDA standards are used.	

**Article 21.3.** Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.

40	<b>STS Criteria</b>	Verified? YES
	40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.	
	<b>PCS Comments</b>	
	As for assets:	
	<ul style="list-style-type: none"> <li>Interest payable by Borrowers on the Loans is calculated on the basis of a fixed rate of interest (see the section headed "COMPLIANCE WITH EU STS REQUIREMENTS", sub § (o) where it is stated that:</li> </ul>	
	<<(o) for the purpose of compliance with article 21, paragraph 3, of the EU Securitisation Regulation, (i) the Originator has represented and warranted under the Master Receivables Purchase Agreement that the Receivables included in the Initial Portfolio have, and the Receivables included in each Subsequent Portfolio will have, a fixed interest rate; (...)>>.	
	As for liabilities:	
	<ul style="list-style-type: none"> <li>the Senior Notes, have a floating rate of interest. See the section headed "COMPLIANCE WITH EU STS REQUIREMENTS", sub §(o) where it is stated that the rate of interest applicable to the Senior Notes is calculated by reference to Euribor, while the rate of interest applicable to the Junior Notes is a fixed interest rate (for further details, see Condition 5.2 5.2 (Rate of Interest of the Notes)). It is concluded that, therefore, any referenced interest payments under the Notes are based on generally used market interest rates and do not reference complex formulae or derivatives.</li> <li>the Junior Notes have a fixed rate of interest, plus an Additional Return aimed at taking out the excess spread (see last items of the PoP).</li> </ul>	
	Based on the above, PCS is prepared to verify this requirement.	

<b>Article 21.4.</b> Where an enforcement or an acceleration notice has been delivered:		
(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;		
(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;		
(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and		
(d) No provisions shall require automatic liquidation of the underlying exposures at market value.		
<b>41</b>	<p><b><u>STS Criteria</u></b></p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	<b><u>Verified?</u></b> <b>YES</b>
	<p><b><u>PCS Comments</u></b></p> <p>See the Quarterly Priority of Payments during the Amortisation Period and in particular Condition 4.2.2.</p> <p>PCS notes that in a Post-Trigger scenario, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the payment of “Expenses”.</p> <p>Expenses are defined as &lt;&lt;any documented fees, costs, expenses and Taxes required to be paid to any third party creditors (other than the Noteholders and the other Issuer Secured Creditors) arising in connection with the Securitisation, and any other documented costs, expenses and Taxes required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.&gt;&gt;.</p> <p>PCS is satisfied that these Expenses are therefore only amounts necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors.</p>	
<b>42</b>	<p><b><u>STS Criteria</u></b></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	<b><u>Verified?</u></b> <b>YES</b>
	<p><b><u>PCS Comments</u></b></p> <p>PCS notices that the post-trigger POP, applicable in a post enforcement scenario, contemplates only sequential payments (see items from fourth onwards in Condition 4.2(Quarterly Priority of Payments during the Amortisation Period)).</p> <p>On this basis PCS is prepared to verify this requirement.</p>	
<b>43</b>	<p><b><u>STS Criteria</u></b></p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>	<b><u>Verified?</u></b> <b>YES</b>
	<p><b><u>PCS Comments</u></b></p>	

	See comments to point 42 above.	
44	<p><b>STS Criteria</b></p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the section headed "COMPLIANCE WITH STS REQUIREMENTS", sub § (p) where it is stated that:</p> <p>&lt;&lt;(…) (iii) the Representative of the Noteholders shall proceed to sell all or part of the Portfolio on behalf of the Issuer if so requested by an Extraordinary Resolution of the Meeting of the Most Senior Series of Noteholders under the Rules of the Organisation of the Noteholders, subject to the terms and conditions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 4.2 (Quarterly Priority of Payments during the Amortisation Period) and Condition 11 (Trigger Events));&gt;&gt;.</p>	

**Article 21.5.** Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.

45	<p><b>STS Criteria</b></p> <p>45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment. This is not the case in this transaction since payments in respect of the Notes are made sequentially both in a pre and post trigger scenario.</p> <p>Therefore, the above requirement is satisfied.</p>	

**Article 21.6.** The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;
- (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;
- (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
- (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).

<b>46</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>		
<p><b>PCS Comments</b></p> <p>This provision applies to transactions with a revolving period.</p> <p>This transaction contemplates a revolving period that may terminate upon the occurrence of a Purchase Termination Event, as set out in Condition 10 (Purchase Termination Events).</p> <p>The occurrence of any of the following events (which signify a possible deterioration in the credit quality of the Receivables) will constitute a Purchase Termination Event (see Condition 10 (Purchase Termination Events)):</p> <ul style="list-style-type: none"> <li>• (J) Breach of the Portfolio Default Ratio.</li> <li>• (K) Breach of the Cumulative Default Ratio.</li> <li>• (L) Collateral Portfolio Performance.</li> <li>• (M) Portfolio Delinquency Ratio.</li> </ul>		
<b>47</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>		
<p><b>PCS Comments</b></p> <p>The occurrence of any of the following events will constitute a Purchase Termination Event (see Condition 10 (Purchase Termination Events)):</p> <ul style="list-style-type: none"> <li>• (C) Insolvency of the Originator.</li> <li>• (D) Restructuring Agreements.</li> <li>• (E) Winding-up of the Originator.</li> <li>• (H) Termination of appointment of the Servicer.</li> </ul>		

	<p>PCS notices that the interpretation of this requirement is that if either the Originator or the Servicer become insolvent, then the PTE is to be triggered.</p> <p>In this transaction, the Servicer and the Originator are, at least initially, the same entity. The insolvency of the Originator is specifically a Purchase Termination Event (see item (C)). However, there's also a specific Purchase Termination Event (see item (H)) that occurs upon the termination of the appointment of Compass as Servicer. Therefore, the requirement that the Servicer's insolvency is a purchase termination event is satisfied, although indirectly.</p>	
48	<p><b>STS Criteria</b></p> <p>48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>This requirement is satisfied through the combination of the following events which constitute a Purchase Termination Event (see Condition 10 (Purchase Termination Events)):</p> <ul style="list-style-type: none"> <li>• (L) Collateral Portfolio Performance.</li> <li>• (N) Non disposal of the Monthly Available Funds/Revolving Available Amount.</li> </ul> <p>See also the statement in "COMPLIANCE WITH STS REQUIREMENTS", §(r).</p>	
49	<p><b>STS Criteria</b></p> <p>49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>This requirement is satisfied through the combination of the following events which constitute a Purchase Termination Event (see Condition 10 (Purchase Termination Events)):</p> <ul style="list-style-type: none"> <li>• (N) Non disposal of the Monthly Available Funds/Revolving Available Amount.</li> <li>• (O) Subsequent Portfolios: the Originator fails, during the Revolving Period, to offer for sale Subsequent Portfolios to the Issuer for 3 (three) consecutive Offer Dates.</li> </ul>	
<p><b>Article 21.7.</b> The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p> <p>(b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p> <p>(c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p>		
50	<p><b>STS Criteria</b></p> <p>50. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p>	<p><b>Verified?</b> <b>YES</b></p>

	<p><b>PCS Comments</b></p> <p>For the Servicer, see section “The Servicing Agreement – Duties of the Servicer”.</p> <p>For the Representative of the Noteholders (that performs fiduciary activities on behalf of the noteholders and other issuer creditors) see the “Rules of the Organisation of the Noteholders”, Article 26 (<i>Duties and powers</i>). See also the description of the Intercreditor Agreement contained in “THE OTHER TRANSACTION DOCUMENTS - INTERCREDITOR AGREEMENT” and, in particular, the two following duties of the Representative of the Noteholders:</p> <p><i>&lt;&lt;(...) following the occurrence of a Trigger Event, the Representative of the Noteholders shall be authorised to exercise in the name and for the benefit of the Issuer all the Issuer’s Rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell the Portfolio in whole or in part, in the interest of the Noteholders and the other Issuer Secured Creditors. In such event, the Originator shall have a right of first refusal over the Portfolio. (...)&gt;&gt;</i>.</p> <p>For the other ancillary service providers, see section “THE OTHER TRANSACTION DOCUMENTS”, subsections “CASH ALLOCATION, MANAGEMENT AND AGENCY AGREEMENT” and “CORPORATE SERVICES AGREEMENT”.</p>	
51	<p><b>STS Criteria</b></p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See “THE SERVICING AGREEMENT” and in particular the sub-section headed “Back-up Servicer Facilitator”, where it is stated as follows:</p> <p><i>&lt;&lt;Under the Servicing Agreement, upon the termination of the mandate granted to the Servicer, the Back-up Servicer Facilitator shall carry out all its best efforts to co-operate with the Issuer in finding a Substitute Servicer, having the requirements specified in article 9(e) of the Servicing Agreement (including, inter alia, expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures in compliance with article 21, paragraph 8, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria) and who undertakes to succeed the Servicer upon termination of the mandate conferred to this latter pursuant to the Servicing Agreement.&gt;&gt;</i>.</p> <p>See also the definition of Back-up Servicer Facilitator:</p> <p><i>&lt;&lt;<b>Back-up Servicer Facilitator</b> means Banca Finanziaria Internazionale S.p.A. and its permitted successors and assignees, or any other entity acting as such pursuant to the terms of the Servicing Agreement.&gt;&gt;</i>.</p>	
52	<p><b>STS Criteria</b></p> <p>52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>As for the Hedging Counterparty, see the following statement in the description of the Intercreditor Agreement contained in “THE OTHER TRANSACTION DOCUMENTS”:</p> <p><i>&lt;&lt;Under the Intercreditor Agreement, should the Hedging Agreement be terminated for any reason, without prejudice to any provisions included therein, the Issuer – in coordination with Compass – has undertaken to use its reasonable commercial endeavours to enter into a replacement swap agreement that will provide the Issuer with the same level of protection as the Hedging Agreement.&gt;&gt;</i>.</p>	

See also “RISK FACTORS - Interest rate risk arising from the mismatch between the interest rate applicable on the Loans and the Notes may affect the ability of the Issuer to meet its payment obligations under the Notes in case of termination of the Hedging Agreement”.

No liquidity providers are contemplated for this transaction and therefore no continuity provisions are necessary in this respect.

As for the account bank, see the statement in “COMPLIANCE WITH EU STS REQUIREMENTS”, §(s):

<<(…) Finally, the Cash Allocation, Management and Agency Agreement, the Intercreditor Agreement and the Hedging Agreement contain provisions aimed at ensuring the replacement of the Account Bank and the Hedging Counterparty, respectively in case of its default, insolvency or other specified events>>.

See also the section “THE OTHER TRANSACTION DOCUMENTS - Cash Allocation, Management and Agency Agreement”, where the continuity provisions in respect of the Account Bank, and the transfer of the Accounts to another bank are contemplated, as well as the obligation of the Issuer to appoint a replacement Account Bank, Paying Agent and/or Calculation Agent in case they lose the status of “Eligible Institution”:

<<(…) the Issuer will use its reasonable endeavours to appoint a replacement agent provided that, to the extent the Issuer fails to do so, within 30 calendar days, the relevant Account Bank may arrange the appointment of a replacement entity which qualifies as an Eligible Institution which will be appointed by the Issuer in accordance with the terms of the Cash Allocation, Management and Agency Agreement and the other Transaction Documents and which will enter into the Cash Allocation, Management and Agency Agreement and the Intercreditor Agreement.>>.

**Article 21.8.** The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.

<b>53</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b>
	53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	<b>YES</b>
	<b><u>PCS Comments</u></b>	
	See section “THE ORIGINATOR AND THE SERVICER – Historical Background” and “Directors, auditors, and management”.	
	See also §(t) of “COMPLIANCE WITH STS REQUIREMENTS”, where it is stated that:	
	<<(t) for the purpose of compliance with article 21, paragraph 8, of the EU Securitisation Regulation, under the Servicing Agreement, the Servicer has represented and warranted that it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures. In addition, pursuant to the Servicing Agreement any Substitute Servicer shall have expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures in accordance with the EBA Guidelines on STS Criteria (for further details, see the section headed “The Servicing Agreement”);>>.	



54	<b>STS Criteria</b>	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		

**Article 21.9.** The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies

55	<b>STS Criteria</b>	55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		

**Article 21.9.** The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.

56	<b>STS Criteria</b> 56. The transaction documentation shall clearly specify the priorities of payment,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Priority of Payments" in Condition 4 of the "Terms and Conditions of the Notes". PCS has reviewed the relevant documents to satisfy itself that these criteria are met.	
57	<b>STS Criteria</b> 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the Terms and Conditions of the Notes, contained in the Prospectus, and particularly: <ul style="list-style-type: none"> <li>• Condition 11 (<i>Trigger Events</i>) setting out the Trigger Events that trigger changes in the PoP to be applied; and</li> <li>• Condition 10 (<i>Purchase Termination Events</i>), for the events that determine the termination of the Revolving Period and the applicability of the PoP for the Amortisation Period, pursuant to Condition 4.2 (<i>Quarterly Priority of Payments during the Amortisation Period</i>).</li> </ul> PCS has reviewed the relevant documents to satisfy itself that this requirement is met.	
58	<b>STS Criteria</b> 58. The transaction documentation shall clearly specify the obligation to report such events.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See §(u) of "COMPLIANCE WITH STS REQUIREMENTS", where it is stated that: <<(u) (...) In addition, the Transaction Documents clearly specify the Priorities of Payments, the events which trigger changes in such Priorities of Payments as well as the obligation to report such events, and any change in the Priority of Payments which will materially adversely affect the repayment of the Notes. (...)>> See also the definition of "Inside Information and Significant Event Report". This is a future event. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS noted in the Prospectus the existence of a covenant on the part of the Originator to comply in the future with this requirement.	
59	<b>STS Criteria</b>	<b>Verified?</b>

59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.

YES

**PCS Comments**

See comments to point 58 above and the definition of "Inside Information and Significant Event Report".

This is a future event. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.

However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant - although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.

PCS notices the existence of such covenant in the transaction documents.

**Article 21.10.** The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

**60 STS Criteria**

60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders

**Verified?  
YES****PCS Comments**

See "Rules of the Organisation of the Noteholders" included as an Exhibit 1 to the Terms and Conditions of the Notes, both included in the Prospectus.

Although the wording of the Regulation as to what constitutes the "facilitation of timely resolution of conflicts" is quite vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion. In this respect, the following five requirements need to be contemplated by the relevant transaction documents. The Rules of the Organisation of the Noteholders contain the required provisions:

(a) the method for calling meetings; as for method: Article 7 (*Convening the Meeting*) Article 11 (*Adjournment for want of quorum*), Article 12 (*Adjourned Meeting*).

(b) the maximum timeframe for setting up a meeting: Article 8 (*Notice*), Article 11 (*Adjournment for want of quorum*) and Article 13 (*Notice following adjournment*).

(c) the required quorum: Article 10 (*Quorum*).

(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: Article 11 (*Adjournment for want of quorum*). See also definition of "Relevant Fraction".

(e) where applicable, a location for the meetings which should be in the EU: Article 8 (*Notices*) and Article 11 (*Adjournment for want of quorum*).

PCS has reviewed the underlying documents (particularly, the Rules of the Organisation of the Noteholders) to ascertain that all the five requirements above are indeed present.

**Article 21.10.** The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

61	<p><b>STS Criteria</b></p> <p>61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See point 50 above:</p> <p>For the Representative of the Noteholders (that performs fiduciary activities on behalf of the noteholders and other issuer creditors) see the “Rules of the Organisation of the Noteholders”, Article 26 (<i>Duties and powers</i>).</p> <p>See also the description of the Intercreditor Agreement contained in “THE OTHER TRANSACTION DOCUMENTS - INTERCREDITOR AGREEMENT” and, in particular, the two following duties of the Representative of the Noteholders:</p> <p>&lt;&lt; (...) following the occurrence of a Trigger Event, the Representative of the Noteholders shall be authorised to exercise in the name and for the benefit of the Issuer all the Issuer’s Rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell the Portfolio in whole or in part, in the interest of the Noteholders and the other Issuer Secured Creditors. (...) &gt;&gt;.</p>	

**Article 22.1.** The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.

62	<b>STS Criteria</b> 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Representations of compliance with this provisions are contained in §(w) of "COMPLIANCE WITH STS REQUIREMENTS", in the section containing a description of the "INTERCREDITOR AGREEMENT" and in the section headed "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations". Documents containing such data have also been provided to PCS.	
63	<b>STS Criteria</b> 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See statements in this respect contained in the sections mentioned in comments to point 62 above.	
64	<b>STS Criteria</b> 64. Those data shall cover a period no shorter than five years.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See statements in this respect contained in the sections mentioned in comments to point 62 above.	

**Article 22.2.** A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.

65	<b>STS Criteria</b> 65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See statement in §(x) of "COMPLIANCE WITH STS REQUIREMENTS": <i>&lt;&lt;(x) for the purposes of compliance with article 22, paragraph 2, of the EU Securitisation Regulation, an appropriate and independent party has verified prior to the Issue Date (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of</i>	

the Initial Portfolio; (ii) the accuracy of the data disclosed in the paragraph entitled "Main Characteristics of the Initial Portfolio - Summary Statistics" of the section headed "The Portfolio"; and (iii) the compliance of the data contained in the loan-by-loan data tape prepared by the Originator in relation to the Receivables comprised in the Initial Portfolio with the Eligibility Criteria that are able to be tested prior to the Issue Date (for further details, see the section headed "The Portfolio");>>.

See also the last paragraph of the Section "The Portfolio":

Pool Audit Report

<<Pursuant to article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an appropriate and independent party has verified prior to the Issue Date that (i) the data disclosed in the Prospectus in respect of the Receivables are accurate (including the data set forth in tables of the section headed "The Portfolio" of the Prospectus); (ii) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of a representative sample of the Initial Portfolio; and (iii) the data of the Receivables included in the Initial Portfolio contained in the loan-by-loan data tape prepared by Compass are compliant with the Eligibility Criteria that are able to be tested prior to the Issue Date.>>.

See also definition of Pool Audit Report

<<Pool Audit Report means the report prepared by an appropriate and independent party pursuant to article 22, paragraph 2, of the EU Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify that:

- (a) the data disclosed in the Prospectus in respect of the Receivables are accurate (including the data set forth in tables of the section "The Portfolio" of the Prospectus);
- (b) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of a representative sample of the Initial Portfolio; and
- (c) the data of the Receivables included in the Initial Portfolio contained in the loan-by-loan data tape prepared by Compass are compliant with the Eligibility Criteria that are able to be tested prior to the Issue Date.>>.

PCS was also provided with a copy of such reports prior to the date of this Provisional Checklist and verified that they satisfy this requirement.

66

**STS Criteria**

66. Including verification that the data disclosed in respect of the underlying exposures is accurate.

**Verified?****YES****PCS Comments**

See statements in this respect contained in the section mentioned in comments to point 65 above.

**Article 22.3.** The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

67

**STS Criteria**

67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.

**Verified?****YES**

**PCS Comments**

See statement in §(y) of “COMPLIANCE WITH STS REQUIREMENTS”:

*<<(y) for the purposes of compliance with article 22, paragraph 3, of the EU Securitisation Regulation, under the Intercreditor Agreement Compass has confirmed that it has made available to potential investors in the Notes, before pricing, through the Securitisation Repository, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, pursuant to the Intercreditor Agreement Compass has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the Securitisation Repository, a liability cash flow model (to be updated from time to time by or on behalf of the Originator in case of material changes in the actual or expected cash flows) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer (for further details, see the section headed “The Other Transaction Documents – the Intercreditor Agreement”);>>.*

PCS is not a modelling firm nor has any modelling expertise. The criterion requires that an accurate liability model - to be circulated to prospective investors pre-pricing - must be made publicly available on-going. Therefore, PCS does not verify the model’s accuracy or perform any due diligence whatsoever on the model. However, it seeks to satisfy itself indirectly as to the likelihood of the model’s accuracy by requesting details of the individuals (if employed by the originator) or the firms (if the model is outsourced) responsible for the model. PCS received sufficient comforts in respect of the above.

68

**STS Criteria**

68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

**Verified?**

**YES**

**PCS Comments**

See statement in §(y) of “COMPLIANCE WITH STS REQUIREMENTS”, as quoted in point 67 above.

*This is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS, nevertheless notices that a covenant on the part of the Originator to comply in the future with this requirement is included in the documentation.*

**Article 22.4.** In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).

By way of derogation from the first subparagraph, originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.

<b>69</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p>(...) originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.</p>		
<p><b>PCS Comments</b></p> <p>The Consumer Loan Agreements (out of which the Receivables arise) include consumer loans of various typology and a Pool of New Car Loans and a Pool of Used Car Loans.</p> <p>It is therefore necessary to verify compliance with this requirement in relation to the loans that, although consumer loans, are also car loans.</p> <p>In this respect, PCS noticed the statement in §(z) of “COMPLIANCE WITH STS REQUIREMENTS”:</p> <p><i>&lt;&lt;(z) for the purposes of compliance with article 22, paragraph 4, of the EU Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare on a quarterly basis the Loan by Loan Report setting out information relating to each Consumer Loan (including, inter alia, the information related to the environmental performance of the vehicles, if available), in compliance with letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and make it available to the Reporting Entity, in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report to the holders of a Securitisation position, the Authority referred to under article 29 of the EU Securitisation Regulation and other competent authorities and to any potential investors, by no later 1 (one) month after the relevant Quarterly Payment Date (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report), through the Securitisation Repository (for further details, see the sections headed “The Servicing Agreement” and “The Other Transaction Documents – the Intercreditor Agreement”);&gt;&gt;.</i></p> <p>As to the impacts on sustainability factors, PCS was informed by the Originator that, for the time being, no specific publication is envisaged.</p> <p><u>It is noted, however, that Mediobanca, as parent company of the Originator, has published ESG information in its Consolidated Non-Financial statement, the latest of which is available at the following link: <a href="https://www.mediobanca.com/static/upload_new/non/non-financial_statement_2022.pdf">https://www.mediobanca.com/static/upload_new/non/non-financial_statement_2022.pdf</a></u></p>		

**Article 22.5.** The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

<b>70</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.		



**PCS Comments**

See §(aa) of “COMPLIANCE WITH STS REQUIREMENTS” where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out. In particular, it is stated that:

*<<(aa) for the purposes of compliance with article 22, paragraph 5, of the EU Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation. (...)>>.*

**Article 22.5.** The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

<b>71</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.</p> <p><b>PCS Comments</b></p> <p>See §(aa) of “COMPLIANCE WITH STS REQUIREMENTS” where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out. In particular, it is stated that:</p> <p><i>&lt;&lt;(aa) (...) As to pre-pricing information, Compass has confirmed that (i) it has made available to the holder of a Securitisation position and, upon request, to any potential investors in the Notes, the information under letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation (...)&gt;&gt;.</i></p> <p>See also Section “GENERAL INFORMATION - Documents”, in respect of the availability of documents after closing as long as the Notes are outstanding. This Section contains also the statement that these documents...</p> <p><i>&lt;&lt;constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first subparagraph of article 7, paragraph 1, of the EU Securitisation Regulation (...)&gt;&gt;.</i></p>	
<b>72</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.</p> <p><b>PCS Comments</b></p> <p>See §(aa) of “COMPLIANCE WITH STS REQUIREMENTS”:</p> <p><i>&lt;&lt;(…) As to pre-pricing information, Compass has confirmed that (i) it has made available to the holder of a Securitisation position and, upon request, to any potential investors in the Notes, the information under letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation and, in draft form, the information and documentation under letters (b) and (d) of article 7, paragraph 1, of the EU Securitisation Regulation (...)&gt;&gt;.</i></p>	

**Article 22.5.** The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.

<b>73</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>		
<p><b>PCS Comments</b></p> <p>See "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations" where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out. In particular, it is stated that:</p> <p>&lt;&lt;As to post-closing information, the parties to the Intercreditor Agreement have acknowledged and agreed that: (...)</p> <p>(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the holders of a Securitisation position and, upon request, to potential investors by no later than 15 (fifteen) days after the Issue Date through the Securitisation Repository, and (B) any other document or information that may be required to be disclosed to the holders of a Securitisation position and, upon request, to potential investors pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the EU Securitisation Regulation and the applicable Regulatory Technical Standards.&gt;&gt;</p> <p>This criterion requires document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS notices that there is a covenant on the part of the Originator to comply with this requirement.</p>		

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;

<b>74</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
<p>74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis,</p>		
<p><b>PCS Comments</b></p> <p>See "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations" where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out. In particular, it is stated that:</p> <p>&lt;&lt;As to post-closing information, the parties to the Intercreditor Agreement have acknowledged and agreed that:</p> <p>(a) the Servicer shall prepare the Loan by Loan Report setting out the information relating to each Consumer Loan (including, inter alia, the information related to the environmental performance of the vehicles, if available) as at the end of the immediately preceding Collection Period, in compliance with letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation</p>		

and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity, in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report to the holders of a Securitisation position, the Authority referred to under article 29 of the EU Securitisation Regulation and other competent authorities and to any potential investors, by no later than one month after each Quarterly Payment Date (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report), through the Securitisation Repository;>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

**75** **STS Criteria**

75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

**Verified?**  
**YES**

**PCS Comments**

See "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations".

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** That underlying documentation shall include a detailed description of the priority of payments of the securitisation;

<b>76</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b> <b>YES</b>
	76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	
<b><u>PCS Comments</u></b>		
See "Terms and Conditions of the Notes" – Condition 4 ( <i>Priority of Payments</i> ).		

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:

- (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
- (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;
- (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
- (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;

<b>77</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b> <b>YES</b>
	77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	
<b><u>PCS Comments</u></b>		
The Prospectus is not intended to be compliant with the Prospectus Regulation.		

However, the Prospectus (jointly with the Terms and Conditions of the Notes included therein) have the contents required by this provision.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(d) in the case of STS securitisations, the STS notification referred to in Article 27;

<b>78</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
<p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;</p> <p><b>PCS Comments</b></p> <p>See the following statement in “COMPLIANCE WITH STS REQUIREMENTS” that: &lt;&lt;(aa) for the purposes of compliance with article 22, paragraph 5, of the EU Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation. Each of the Issuer and the Originator has agreed that Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to letters (a), (b), (d), (e), (f) and (g) of article 7, paragraph 1 of the EU Securitisation Regulation. As to pre-pricing information, Compass has confirmed that (i) it has made available to the holder of a Securitisation position and, upon request, to any potential investors in the Notes, the information under letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation and, in draft form, the information and documentation under letters (b) and (d) of article 7, paragraph 1, of the EU Securitisation Regulation and (ii) as initial holder of the Junior Notes, it has been in possession, before pricing, of the data relating to each Consumer Loan (and therefore it has not requested to receive the information under letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation) and of the information and documentation under letters (b) and (d) of article 7, paragraph 1, of the EU Securitisation Regulation.&gt;&gt;.</p> <p>See also the following statement in the front pages of the Prospectus:</p> <p>&lt;&lt;STS Securitisation - The Securitisation is intended to qualify as simple, transparent and standardised (“STS”) securitisation within the meaning of article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the “STS Notification”). (...)&gt;&gt;.</p> <p>PCS notices also statements that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27, paragraph 1, of the EU Securitisation Regulation (see “COMPLIANCE WITH STS REQUIREMENTS - First contact point”).</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ analysis in comments to point 73 above.</p>		

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

- (i) all materially relevant data on the credit quality and performance of underlying exposures;
- (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;

(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

<b>79</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:</p> <p>(i) all materially relevant data on the credit quality and performance of underlying exposures;</p> <p>(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties,</p> <p>(ii)...and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;</p> <p>(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.</p>	
	<p><b>PCS Comments</b></p> <p>See "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations" where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out.</p> <p>In particular, it is stated that:</p> <p>&lt;&lt;As to post-closing information, the parties to the Intercreditor Agreement have acknowledged and agreed that: (...)</p> <p>(b) the SR ESMA Reports Entity shall:</p> <p>(i) prepare the SR Investor Report setting out certain information with respect to the Notes (including the information referred to in letter (e), items (i), (ii) and (iii), of article 7, paragraph 1, of the EU Securitisation Regulation) and deliver the final SR Investor Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make available the SR Investor Report by no later than one month after each Quarterly Payment Date (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report), through the Securitisation Repository; (...)&gt;&gt;.</p> <p>It is noted that both the activities of "SR ESMA Reports Entity" and "Reporting Entity" shall be performed by Compass Banca.</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.</p>	

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

<b>80</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;</p>	
	<p><b>PCS Comments</b></p>	

See "GENERAL INFORMATION", subsection "Securitisation Regulation – Reporting Entity's disclosure obligations" where certain covenants and acknowledgements in respect of transparency compliance included in the Intercreditor Agreement are set out.

In particular, it is stated that:

<<As to post-closing information, the parties to the Intercreditor Agreement have acknowledged and agreed that: (...)

(b) the SR ESMA Reports Entity shall: (...)

(ii) prepare the Inside Information and Significant Event Report, setting out the information under letter f) and letter g) of article 7, paragraph 1, of the EU Securitisation Regulation (including, inter alia, any change of the Priority of Payments and any material change occurred after the Issue Date in the Loan Disbursement Policies), and deliver the Inside Information and Significant Event Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make available the Inside Information and Significant Event Report without undue delay following the occurrence of the relevant event triggering the delivery of such report and also by no later than one month after each Quarterly Payment Date (simultaneously with the Loan by Loan Report and the SR Investor Report), through the Securitisation Repository; (...)>>.

See also the definition of "Inside Information and Significant Event Report":

<<Inside Information and Significant Event Report means the report setting out the information under letter f) and letter g) of article 7, paragraph 1, of the EU Securitisation Regulation (including, inter alia, any change of the Priority of Payments and any material change occurred after the Issue Date in the Loan Disbursement Policies), to be prepared by the SR ESMA Reports Entity in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.>>.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation;
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

**81 STS Criteria**

81. (g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;

**Verified?**  
**YES**

(v) any material amendment to transaction documents.

**PCS Comments**

See point 80 above and the references to the “Inside Information and Significant Event Report” in the statements mentioned thereunder.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ analysis in comments to point 73 above.

**Article 7.1.** The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (...ABCP provisions)

**82 STS Criteria**

82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (...ABCP provisions)

**Verified?  
YES**

**PCS Comments**

See the section headed “COMPLIANCE WITH STS REQUIREMENTS”, sub §(z) in which it is confirmed the simultaneity of the delivery, by no later 1 (one) month after the relevant Quarterly Payment Date, of the Loan by Loan Report and the SR Investor Report.

**Article 7.1.** Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay  
When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.

In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.

Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

**83 STS Criteria**

83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay

**Verified?  
YES**

**PCS Comments**

See “GENERAL INFORMATION”, subsection “Securitisation Regulation – Reporting Entity’s disclosure obligations” where it is stated that:

<<As to post-closing information, the parties to the Intercreditor Agreement have acknowledged and agreed that: (...)

(b) the SR ESMA Reports Entity shall: (...)

(ii) prepare the Inside Information and Significant Event Report, setting out the information under letter f) and letter g) of article 7, paragraph 1, of the EU Securitisation Regulation (including, inter alia, any change of the Priority of Payments and any material change occurred after the Issue Date in the Loan Disbursement Policies), and deliver the Inside Information



and Significant Event Report to the Reporting Entity, in a timely manner in order for the Reporting Entity to make available the Inside Information and Significant Event Report without undue delay following the occurrence of the relevant event triggering the delivery of such report and also by no later than one month after each Quarterly Payment Date (simultaneously with the Loan by Loan Report and the SR Investor Report), through the Securitisation Repository; (...)».

**Article 7.2.** The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

#### 84 **STS Criteria**

84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

**Verified?**  
**YES**

#### **PCS Comments**

See TRANSACTION OVERVIEW – Reporting Entity:

*<<Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that Compass is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation. In such capacity as Reporting Entity, Compass has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the EU Securitisation Regulation by making available, through the Securitisation Repository, the relevant information. In addition, each of the Issuer and the Originator has agreed that Compass is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27, paragraph 1, of the EU Securitisation Regulation.>>*

See also point 85 below.

#### 85 **STS Criteria**

85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.

**Verified?**  
**YES**

#### **PCS Comments**

The Originator is the “Reporting Entity” and the “SR ESMA Reports Entity”: see point 84 above and the relevant definitions:

*<<Reporting Entity means Compass in its capacity as reporting entity pursuant to and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation.>>*

<<**SR ESMA Reports Entity** means *Compass Banca S.p.A.*>>.

European Data Warehouse is the "Securitisation Repository", however, the transaction documents allow the appointment of a different securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation, provided that this is notified to the investors in the Notes:

<<**Securitisation Repository** means *the website of European DataWarehouse (being, as at the date of the Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified by the Issuer to the investors in the Notes.*>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.